

THE PRESIDENT'S INTELLIGENCE CHECKLIST

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17 MAY 1962

~~TOP SECRET~~

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1. Laos

a. There has been no significant change in the military situation during the past 24 hours

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b. About 600 Laotian army troops have returned to Ban Houei Sai from Thailand and patrols ranging some 20 miles northeast of the town made no contact with enemy forces.

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d.

Nationalist leaders made no firm commitments to Phoumi, and intended to go no further than to issue a strong statement of political support and to offer a "reasonable amount" of rice, sugar and cloth. With Phoumi, however, a little encouragement can go a long way in feeding his prejudice against a coalition government under Souvanna.

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f. Nothing Moscow or Peiping has said makes us think the Communists are contemplating an early major offensive in Laos or that they take seriously the possibility of US military intervention there.

2. Algeria

a. The gloves are coming off in so far as police treatment of the European population is concerned. At a stormy press conference in Algiers yesterday, French High Commissioner Fouchet forcefully indicated his determination to crack down on any European connected with the OAS, no matter how tenuous the relationship might be.

b. Meanwhile, our Consul General, anticipating that the next three months will be a particularly critical period, has ordered the unobtrusive evacuation of American dependents.

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3. Sino-Japanese trade relations



We have recently picked up two Japanese broadcasts saying that the government has decided to permit the export of such things as steel, machines and "complex equipment" to Communist China under a five-year deferred payments plan. Tokyo business circles, the radios said, happily anticipate that trade between the two countries will jump this year from almost nothing to something like \$80 million. We are awaiting official confirmation of such a decision, but are inclined to think it has been made.

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4. Indonesia-Netherlands negotiations



Jones has an appointment with Sukarno tomorrow and will urge that Indonesia return to the conference table. The position Luns took with Ambassador Rice yesterday will not make it easy for him to persuade Sukarno that the Dutch have changed their attitude.

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5. France



De Gaulle, unphased by the resignation of the Catholic Party members of his cabinet, left Paris yesterday afternoon without further ado on a provincial stumping tour. Parliamentary reaction will be in low key for fear of provoking De Gaulle into calling national elections at this time. However, the resignations point up the strength of opposition to De Gaulle's foot-dragging on European unity and as the Algerian issue fades into the background this issue is likely to be debated with considerable heat.

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6. Canada



Diefenbaker has virtually committed the Conservative Party not to accept nuclear weapons. His position is now almost indistinguishable from that of the Liberal Party and campaign oratory and public passions on this subject may thus diminish. If Diefenbaker wins the election, however, it will now be harder for him to justify entering into serious negotiations with the US on the positioning of US nuclear warheads in Canada.

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WATCH COMMITTEE CONCLUSIONS--16 MAY 1962

On the basis of findings by its Watch Committee, the United States Intelligence Board concludes that:

No Sino-Soviet bloc country intends to initiate direct military action in the immediate future.

Laos: The apparent slowness of the Communists to exploit the capture of Nam Tha militarily suggests that they do not intend at this point to initiate a general military offensive to take over all of Laos. The enemy retains the capability, however, to initiate and carry out successfully offensive operations with little or no warning at virtually any point in Laos. No Chinese Communist or North Vietnam military reaction to recent US military movements has been detected.

NOTES

- A. Panama's President Chiari [redacted] 50X1
[redacted] 50X1
[redacted] answer, like 50X1
the letter he wrote last September, will address itself mainly
to the need for early negotiations for a new Canal Zone agreement. 50X1

- C. Tshombé is due in Leopoldville tomorrow for a new round of negotiations. UN officials are mildly optimistic of their outcome, but have taken steps to insure that military reinforcements will be quickly available for movement to Leopoldville in case of an emergency.

- E. [redacted] India [redacted] is 50X1
[redacted] 50X1
to work out the final details of an agreement for the purchase
of MIG-21s. [redacted] 50X1

- F. [redacted] Soviet military 50X1
instructors will be following close on the heels of the Soviet
arms now being delivered in Morocco, the king's repeated
assurances to the contrary notwithstanding.

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